

# IRH acquires 51% of Mopani Copper Mines in \$1.1bn deal

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The UAE's International Resources Holdings (IRH) will invest \$1.1bn in Zambia's Mopani Copper Mines in return for 51% ownership of the business, the state-owned ZCCM Investments Holdings (ZCCM-IH) said on Friday.



Last month, Zambia picked IRH, a unit of Abu Dhabi's most valuable listed company, International Holdings Company (IHC), as the strategic equity partner in Mopani, which was coveted by several investors looking for copper assets.

Zambia had been seeking a new investor for Mopani since it took control of the assets from Glencore in 2021 after agreeing to pay the Swiss commodities company \$1.5bn in a deal funded by debt.



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IRH's \$1.1bn investment would be used to fund Mopani's production expansion plan, provide working capital and pay off part of the \$1.5bn debt owed to previous owner Glencore, ZCCM-IH said in a statement.

## Deal details

"\$620m will be provided in the form of new equity capital in return for a 51% stake in MCM. Approximately \$400m will be provided as a shareholder loan ... that will be used as part of the consideration to settle the original Glencore transaction debt of \$1.5bn plus interest," ZCCM-IH said.

“ An additional \$80m shareholder loan could also be advanced, if needed. ”

Mopani requires \$300m to expand production to 200,000 metric tons of copper in the next three years. The miner produced 72,694 metric tons of copper in 2022, down from 87,618 metric tons in 2021.



In the half year to June 30, Mopani's losses widened to 4.02bn Zambian kwacha (ZK) (\$158.45m) from 2.1bn ZK previously, due to lower output and higher expenses as well as increased borrowing costs.

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